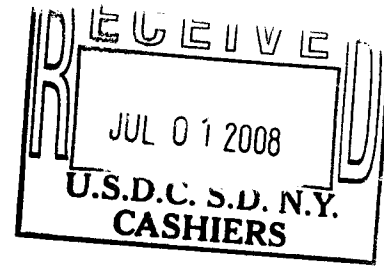


JUDGE CASTEL

08 CV 6004

JAMES A. SAVILLE, JR.
KIPP C. LELAND
HILL RIVKINS & HAYDEN LLP
Attorneys for Plaintiff

45 Broadway -- Suite 1500
New York, New York 10006
(212) 669-0600



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
SHANGHAI HU RUI INDUSTRIES CO. LTD.; :

Plaintiff, : Index No.:
: 08 CV _____ ()

- Against - :

HO FENG MARITIME CO., S.A. and :
HO MAO MARITIME CO., S.A.; :

: **VERIFIED COMPLAINT**
Defendants.

-----X

Plaintiff, Shanghai Hu Rui Industries Co. Ltd., by and through its attorneys, Hill Rivkins & Hayden LLP, as and for its Verified Complaint against the above-named defendants alleges upon information and belief as follows:

JURISDICTION

1. This is an admiralty or maritime claim within the meaning of Rule 9(h) of the Federal Rules of Civil Procedure and this Court has jurisdiction pursuant to 28 U.S.C. §1333 in that plaintiff's claim against defendant arises out of the breach of a maritime contract.

THE PARTIES

2. At and during all material times hereinafter mentioned, plaintiff ("Shanghai") was and now is a corporation existing by virtue of foreign law with an address and place of business at RMJ, 20F, Huamin Empire Plaza Business Centre, No. 726, Yan'an West Road, Shanghai, China, and was the owner of the shipment set forth herein. Shanghai purchased the subject shipment from Hua Tyan Development Limited, who had purchased the subject shipment from Kayuneka Sdn Bhd.
3. At and during all material times hereinafter mentioned, defendant Ho Feng Maritime Co., S.A. ("Ho Feng") was and now is a corporation existing by virtue of foreign law with an address and place of business at 7th Floor, No. 642, Boai, 2nd Road, Kaohsiung, 81358, Taiwan and owned, managed, and/or chartered out the M/V Ho Feng No. 7.
4. At and during all material times hereinafter mentioned, defendant Ho Mao Maritime Co., S.A. ("Ho Mao") was and now is a corporation existing by virtue of foreign law with an address and place of business at 7th Floor, No. 642, Boai, 2nd Road, Kaohsiung, 81358, Taiwan and owned the M/V Ho Feng No. 7.
5. This action is brought to obtain jurisdiction over the defendants and to obtain security for any judgment that is eventually entered against the defendants.

**AS AND FOR A CAUSE OF ACTION
AGAINST DEFENDANTS HO FENG AND HO MAO**

6. Plaintiff repeats and realleges the allegations set forth in Paragraphs 1 through 5 as if set forth herein at length.
7. On or about October 26, 2007 there was delivered to defendants Ho Feng and Ho Mao in good order and condition a shipment of 1,894 Malaysian Round Logs suitable in every respect for the intended transport. Defendant Ho Feng issued bill of lading KNK/1/08 pursuant to which defendants undertook to transport the subject shipment from Malaysia to China aboard the M/V Ho Feng No. 7 for certain consideration. A true and accurate copy of the bill of lading is attached hereto as Exhibit 1. As a shipment between Malaysia and China, foreign law may govern the liability of said defendants.
8. The M/V Ho Feng No. 7 never arrived at its discharge port, and was reported to be sunk, and the subject shipment was never delivered.
9. By reason of the premises defendants were negligent and careless in the handling of plaintiff's cargo, breached their duties and obligations as common carriers and bailees of the cargo, were negligent in their management of the vessel, and were otherwise at fault.
10. Plaintiff was the shipper, consignee or owner of said shipment and brings this action on its own behalf and, as agent and trustee, on behalf of and for the interest of all parties

who may be or become interested in the said shipment, as their respective interests may ultimately appear, and plaintiff is entitled to maintain this action.

11. Plaintiff has duly performed all duties and obligations on its part to be performed.
12. By reason of the premises, Plaintiff has sustained damages, and will otherwise incur costs, as nearly as same can now be estimated, no part of which has been paid, although duly demanded, in the total amount of \$1,681,007.34.
13. After investigation, defendants Ho Feng and Ho Mao cannot be “found” in this District for purposes of and as delineated in Rule B of the Supplemental Rules for Certain Admiralty and Maritime Claims of the Federal Rules of Civil Procedure. Plaintiff is informed that defendants have, or will shortly have, assets within this District, including but not limited to, cash, funds, escrow funds, credits, wire transfer, electronic funds transfers, accounts, letters of credit, freights, sub-freights, charter hire and sub-charter hire, at or being transferred and/or wired to, from or through JPMorgan Chase Bank, Citibank N.A.; American Express Bank, Ltd; Bank of America, Bank of New York, Deutsche Bank; HSB; BNP Paribas; Wachovia Bank; ABN Amro; Standard Chartered Bank; Bank of Communications; The Bank of East Asia; Bank of China; Shanghai Commercial Bank Ltd.; Bank of India and/or any other garnishee as further investigation may uncover.

W H E R E F O R E, plaintiff prays:

1. That process in due form of law according to the practice of this Court may issue against defendants Ho Feng and Ho Mao citing them to appear and answer the foregoing, failing which, a default will be taken against them for the principal amount of the claim, plus interest, costs and attorneys' fees;
2. That if defendants Ho Feng and Ho Mao cannot be found within this District pursuant to Rule B of the Supplemental Rules for Certain Admiralty and Maritime Claims, that all assets of defendants Ho Feng and Ho Mao up to and including **\$1,681,007.34** be restrained and attached, including but not limited to cash, funds, escrow funds, credits, wire transfer, electronic funds transfers, accounts, letters of credit, freights, sub-freights, charter hire, sub-charter hire, at or being transferred and/or wired to, from or through JPMorgan Chase Bank; Citibank N.A.; American Express Bank, Ltd; Bank of America; Bank of New York; Deutsche Bank; HSBC; BNP Paribas; Wachovia Bank; ABN Amro; Standard Chartered Bank; Bank of Communications; The Bank of East Asia; Bank of China; Shanghai Commercial Bank Ltd., Bank of India and/or other garnishees upon who a Writ of Maritime Attachment and Garnishment may be served; and
3. And for such other and further relief as this Court may deem just and proper.

VERIFICATION

I, Kipp C. Leland, hereby affirm as follows:

1. I am an associate with the firm Hill Rivkins & Hayden LLP, attorneys for plaintiff Shanghai Hu Rui Industries Co. Ltd. I have prepared and read the foregoing Verified Complaint and know the contents thereof and, the same is true to the best of my knowledge, information and belief.

2. The sources of my knowledge, information and belief are documents provided by our clients and our discussions with them.

3. As plaintiff is a foreign corporation with no offices, officers or directors located within the Southern District of New York, this verification is made by me as counsel of record.

I hereby affirm under the penalty of perjury that the foregoing statements are true and correct.

Dated: New York, New York
July 1, 2008



Kipp C. Leland

Exhibit 1

30/04 2008 18:25 FAX 29679053

ZURICH INS HK

001/002

Shipper:
KAYUNKA SDN.BHD., (275367-H) WISMA
SAMLING, LOT 296, JALAN TEMENGGONG DATUK
OYONG LAUAI JAU, 98600 MERI, SARAWAK,
MALAYSIA.

Consignee:
TO ORDER

Notify party:
SHANGHAI HU HUI INDUSTRIES CO., LTD.
RMT, 20F, HUAMIN EMPIRE PLAZA BUSINESS
CENTRE, NO. 725, YANAN WEST ROAD,
SHANGHAI, CHINA.

Local vessel:

From:

Origin:
VOY 7126
KAYUNKA SDN.BHD.

Port of loading:
KUALA BARAM,
MALAYSIA PORT.

Final destination:
SHANGHAI, CHINA.

Final destination (if on carriage):

Weight payable at:

Number of original B/L:
THREE (3)

Mark and numbers:

Number and kind of packages:

Gross weight, nos. Measurement:

MALAYSIAN ROUND LOGS

1894 PIECES (ONE THOUSAND EIGHT HUNDRED
AND NINETY-FOUR ONLY)

DATE OF MEASUREMENT: 7.807.2008

1st OFFICE

ADDITIONAL PARTICULARS DECLARED BY SHIPPER

Freight and Charges:

"FREIGHT PREPAID"

ONE THOUSAND EIGHT HUNDRED

Shippers are requested to note particularly the terms and conditions of the Bill of Lading with reference to the validity of the

Terms and conditions as per back hereof

IN WITNESS whereof the Master or Agents of the vessel has
affirmed to the above stated number of Bills of Lading, all of this
date and date, one of which being accomplished the others to
stand void.

Dated at KUALA BARAM ON 12-01-2008

MASTER OR AGENT: HO FENG CO.
CAPTAIN. JOSEPH C. MANANALON

As Carrier

24. 25. 26.